



# CITY OF LODI COUNCIL COMMUNICATION

**AGENDA TITLE:** Adopt resolution authorizing the City Manager to enter into a professional services agreement with Power Engineers, Inc., of Hailey ID, for Engineering and Design of the scaled-back Rehabilitation of Killelea Substation, and to reject all other design/engineering proposals (\$115,819) (EUD)

**MEETING DATE:** October 18, 2006

**PREPARED BY:** Electric Utility Director

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**RECOMMENDED ACTION:** Authorize the City Manager to enter into a professional services agreement with Power Engineers, Inc., of Hailey ID, for engineering and design of the scaled-back rehabilitation of Killelea Substation and to reject all other engineering/design proposals for this project.

**BACKGROUND INFORMATION:** On May 3, 2006, the City Council adopted Resolution No. 2006-83 to authorize, among other tasks, the commencement of work with Power Engineers, Inc. of Hailey, ID to re-scope, engineer, design and construct a scaled-back rehabilitation project for Electric Utility Department's (EUD) Killelea Substation (located at Cherokee and Lodi).

Power Engineers, Inc. engineered and designed the original project to demolish and rebuild the Killelea Substation. Following City Council approval of a scaled-back rehabilitation project, EUD worked for several months to refine the design, technical/performance criteria, and scope of engineering work for the scaled-back project. When Power Engineers was contacted to perform the engineering/design of the scaled-back project, their workload and personnel availability did not allow them to meet EUD's desired schedule to complete the project (June, 2007).

As a back-up plan and to keep the project moving forward, EUD issued a Request for Proposals (RFP) to seven other regional engineering firms to solicit their interest/bids in design/engineering for the project. Three companies responded with the following price proposals:

Electrical Power Systems, Inc.	\$150,695.25
Auriga Corporation	\$188,400.00
Vega Engineering, Inc.	\$369,407.00

Recently, Power Engineers, Inc. advised EUD Staff that their backlog had eased and that they would be able to complete the project based on the updated scope of work and a revised schedule (project completion goal of May 2008) for a price of \$115,819. Power Engineers, Inc. did not submit a proposal in response to the RFP.

Lodi Municipal Code Section 3.20.075 exempts from the bidding process the award of engineering services, providing that such awards be based instead on "professional qualifications and experience, quality of service, past performance, and negotiated prices." Power Engineers, Inc. is well qualified for the proposed work, has extensive knowledge of EUD's electric system and the Killelea Substation as a result of past projects, and has performed well on previous jobs. Further, Power's proposal is significantly less expensive on this project than the three other qualified companies that submitted proposals.

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APPROVED:

  
Blair King, City Manager

Adopt a resolution authorizing the City Manager: to enter into a professional services agreement with Power Engineers, Inc., of Hailey, ID, for engineering and design of the scaled-back rehabilitation of Killelea Substation and to reject all other design/engineering proposals (\$115,819) (EUD)

October 18, 2006

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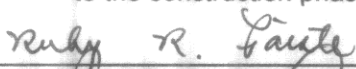
It is recommended that Power Engineers, Inc., of Hailey ID, receive the award to perform engineering and design services for the Killelea Substation Scaled-Back Project and all other proposals be rejected. This firm is familiar with the rehabilitation project since they originally designed the larger Killelea Substation reconstruction project.

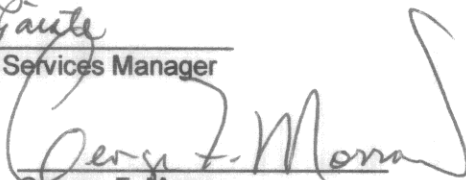
**FISCAL IMPACT:**

The recommended award to Power Engineers, Inc. (\$115,819) is higher than the redesign estimate of \$61,000 included in EUD's earlier cost projections.

**FUNDING AVAILABLE:**

Bond proceeds are allocated in Account No. 161677 for the project in the amount of \$3,678,444. Any necessary change in total project costs will be addressed prior to the construction phase of the project.

  
Ruby Paiste, Financial Services Manager

  
George F. Morrow  
Electric Utility Director

**PREPARED BY:**

Demy Bucaneg, Jr., P.E., Manager, Engineering and Operations

GFM/DB/1st

Attachments

c: City Attorney

**AGREEMENT FOR THE PROVISION  
OF PROFESSIONAL SERVICES**

**Engineer:** **POWER Engineers, Inc.**  
**3940 Glenbrook Drive**  
**Hailey, Idaho 83333**  
**(208) 788-3456**  
**(208) 788-2082 (fax)**

**Client:** **City of Lodi Electric**  
**1331 South Ham Lane**  
**Lodi, CA 95242**  
**(209) 333-6811**  
**(209) 339-0851 (fax)**

**Project Name:** **Killelea Substation Scaled-Back Project**

**Project Location:** **Lodi, CA**

**POWER Project Number:** **111259**

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## AGREEMENT FOR THE PROVISION OF PROFESSIONAL SERVICES

This Agreement for the Provision of Professional Services ("Agreement"), is entered into and effective this 2nd day of October, 2006, by and between POWER Engineers, Inc. (hereinafter "POWER") with its principal place of business at 3940 Glenbrook Drive, Hailey, Idaho 83333, and City of Lodi (hereinafter "Client") with its principal place of business at 1331 South Ham Lane, Lodi, California 95242

### SECTION 1: PERFORMANCE OF SERVICES

#### 1.1 Scope Of Services

- (a) **Project Description.** The project for which the services will be performed is generally described as: Engineering services for the Killelea Substation Scaled Back Project ("Project").
- (b) **Services.** POWER shall perform the scope of services as outlined in Exhibit "A" ("Task Outline").
- (c) **Location of Project.** The Project is located in the state of California.
- (d) **Contract Documents and Exhibits.** The following Exhibits are attached hereto and incorporated herein by this reference. This Agreement and the Exhibits shall be referred to as the "Contract Documents." In the event of any conflict, inconsistency or ambiguity between or among the Contract Documents, this Agreement shall govern and shall be interpreted in the following order of precedence:
  - i. This Agreement
  - ii. Exhibit "A"— POWER's Letter Proposal, dated October 2, 2006 (or its revision, as may be agreed by the parties)

#### 1.2 Schedule

The Services shall be completed in accordance with the Schedule outlined in Exhibit "A".

#### 1.3 Standard Of Care

POWER represents that it will perform its services in accordance with generally accepted professional practices existing at the time of performance for the locality where the services are performed. NO OTHER REPRESENTATION, EXPRESS OR IMPLIED, IS MADE OR INTENDED BY THE RENDERING OF THE SERVICES PROVIDED.

#### 1.4 Authorization To Perform

POWER represents it is appropriately licensed and registered to perform its Services in the location(s) contemplated by this Agreement.

#### 1.5 Site Observation

If required within the scope of POWER's Services, POWER shall make visits to the site at intervals appropriate to the various stages of construction as POWER deems necessary in order to observe the progress of Contractor(s)' work. POWER shall not, during such visits or as a result of such observations of Contractor(s)' work in progress, supervise, direct or have control over Contractor(s)' work. POWER shall not have any authority over or responsibility for the means, methods, techniques, sequences, or procedures of construction selected by Contractor(s), for safety precautions and programs incident to the work of Contractor(s) or for any failure of Contractor(s) to comply with laws, rules, regulations, ordinances, codes or orders applicable to Contractor(s) furnishing and performing their Work. Accordingly, POWER can neither guarantee the performance of the construction contracts by Contractor(s) nor assume responsibility for Contractor(s)' failure to furnish and perform their work in accordance with the Contract Documents.

It is understood and agreed that POWER shall have no constructive use or control of Client's site, and therefore shall have no responsibility whatsoever for construction site safety. Such responsibility has been wholly vested in the general contractor.

### SECTION 2: CLIENT RESPONSIBILITIES

Client shall timely provide all criteria and information as may be identified by POWER. POWER may use such information, requirements, reports, data, surveys and instructions in performing its Services and is entitled to rely upon the accuracy and completion thereof. Client shall designate a person to act with authority on Client's behalf with respect to all aspects of the project. Client shall examine and respond promptly to POWER's submittals and requests. Client shall give prompt written notice to POWER whenever Client observes or otherwise becomes aware of any defect in the Work.

### SECTION 3: COMPENSATION

In consideration for the Services performed by POWER, Client shall pay POWER the compensation as set forth in the Budget in Exhibit "A" hereto ("Contract Price"). Invoices will be submitted by POWER periodically, approximately once a month and are due within thirty (30) calendar days of invoice date. If Client objects to all or any portion of an invoice, Client shall notify POWER within seven (7) calendar days of invoice date, identify the cause of disagreement, and pay when due that portion of the invoice not in dispute. All outstanding balances will accrue a finance charge of 1.0% per month for each month the invoice is outstanding.

With the exception of sales tax specifically relating to procurement, POWER shall pay its appropriate taxes, fees or assessments imposed by local, state, or federal government in effect at the time POWER renders its professional services. Any taxes, fees, or assessments enacted by local, state, or federal government subsequent to the date of this Agreement, will be added to amounts due to POWER under this Agreement.

#### **SECTION 4: DELAYS**

POWER shall not be responsible for delays caused by factors beyond POWER's reasonable control, including but not limited to delays because of strikes, lockouts, work slowdowns or stoppages, accidents, acts of God, failure of any governmental or other regulatory authority to act in a timely manner, failure of the Client to furnish timely information or approve or disapprove of POWER's Services or work product promptly, or delays caused by faulty performance by the Client or by contractors of any level. When such delays beyond POWER's reasonable control occur, the Client agrees that POWER shall not be responsible for any damages, nor shall POWER be deemed to be in default of this Agreement. In the event of such delay, the Schedule shall be extended for a period of time equal to such delay and POWER shall be compensated for any costs, expenses or damages incurred as a result of such delay.

#### **SECTION 5: CHANGES IN THE SCOPE OF WORK**

##### **5.1 Change Orders**

- (a) Client, without invalidating this Agreement, may order changes in the scope of work consisting of additions, deletions, or other revisions, POWER's compensation and the design completion date being adjusted accordingly. All such changes in the Project shall be authorized by Change Order, signed by Client and POWER. POWER shall not be required to perform out-of-scope or extra work without its written approval.
- (b) A Change Order is a written order to POWER, signed by the Client (or its authorized agent) and POWER, issued after the execution of this Agreement, authorizing an addition, deletion, or revision in the Services or an adjustment in the Contract Price or the Schedule.
- (c) The increase or decrease in the Contract Price and change in Schedule resulting from a change in the Project shall be determined by mutual agreement.
- (d) If the parties are unable to agree to such change in POWER's Contract Price, POWER, upon receipt of a written order signed by Client, shall promptly proceed with the Services involved. The cost of such additional Services shall then be determined on the basis of the actual time and expense incurred for performing the Services attributed to the change,

charged at the rates set forth in the Schedule of Charges. In such case, POWER shall maintain a separate time and expense accounting for the additional Services. The amount of decrease in the Contract Price resulting from any deletion or change will be the amount of the actual net decrease computed by POWER. When both an increase and decrease occur in any one change order, the change in compensation shall be calculated by adding the increase or subtracting the decrease to arrive at a net change.

##### **5.2 Changed Conditions**

POWER's Services and any known conditions are as set forth in the Contract Documents. If conditions differ materially from those set forth in the Contract Documents, then the Contract Price and the Schedule shall be equitably adjusted by Change Order.

##### **5.3 Differing Site Conditions**

- (a) POWER's Services are based on certain conditions as set forth in the Contract Documents. POWER shall promptly notify Client of the following unforeseen conditions, hereinafter called "Differing Site Conditions."
  - i. Subsurface or latent physical conditions at the site of the Services differing materially from those indicated, described, or delineated in the Contract Documents; and
  - ii. Physical conditions at the site of the Services of an unusual nature differing materially from those ordinarily encountered and generally expected; and
  - iii. Hazardous or toxic materials.
- (b) Client shall promptly review the Differing Site Conditions to determine the necessity of obtaining additional explorations, tests, or engineering services with respect thereto, and shall advise POWER, in writing, of how the Client wishes to proceed. Such determination by Client shall be made within five (5) business days of notice from POWER of the Differing Site Condition(s). If the Client determines that because of the Differing Site Condition(s) a change in the Services is required, a Change Order shall be issued to reflect and document the consequences of the Differing Site Condition(s).
- (c) In each such case, an adjustment in the Contract Price or an extension of the Schedule, or any combination thereof, shall be granted to POWER to the extent any adjustment or extension is attributable to any such Differing Site Condition(s).

## **SECTION 6: SUSPENSION AND TERMINATION**

### **6.1 Suspension**

In the event the Project is suspended for longer than thirty (30) days, POWER shall have the right to terminate this Agreement.

### **6.2 Termination For Cause**

Either party shall have the right to terminate this Agreement should the other fail to cure any material breach of this Agreement within seven (7) days notice from the non-breaching party.

### **6.3 Termination For Convenience**

Client shall have the right to terminate this Agreement for convenience after providing POWER seven (7) days written notice.

### **6.4 Termination Compensation**

In case of such termination, POWER shall be paid:

- (a) For completed and acceptable Services executed in accordance with the Contract Documents prior to the effective date of termination, including fair and reasonable sums for overhead and profit on such Services;
- (b) For expenses sustained prior to the effective date of termination in performing Services and furnishing labor, materials or equipment as required by the Contract Documents in connection with uncompleted Services, plus fair and reasonable sums for overhead and profit on such expenses;
- (c) For all claims, costs, losses and damages incurred in settlement of terminated contracts with subcontractors, suppliers and others; and
- (d) For reasonable expenses directly attributable to termination.

## **SECTION 7: INDEMNIFICATION**

POWER agrees, to the fullest extent permitted by law, to indemnify and hold the Client, its officers and employees harmless from any claim, damage, liability or cost (including reasonable attorneys' fees and costs of defense) to the extent caused by POWER's negligent acts, errors or omissions in the performance of professional services under this Agreement and those of its subconsultants or anyone for whom POWER is legally liable. Notwithstanding the above, POWER's obligation to defend, indemnify and hold harmless shall extend only to POWER's percentage of negligence contributing to such claim, damage, loss or expense on a comparative basis of fault and responsibility between POWER and Client. It is the express intent of this indemnity clause that POWER shall not be obligated to indemnify Client for Client's own negligence.

Client agrees, to the fullest extent permitted by law, to indemnify and hold POWER harmless from any claim, damage, liability or cost (including reasonable attorneys' fees and costs of defense) arising in whole or in part and in any manner from the acts or failure to act, omissions, breach or default of Client, or those of its contractors, subcontractors or consultants or anyone for whom the Client is legally liable, and arising from the project that is the subject of this Agreement. In addition, Client agrees to indemnify, defend and hold POWER harmless from or against any claim or allegation that any process, technology, equipment, materials or information provided by Client in connection with this Agreement constitutes an infringement of any U.S. patent, trade secret, trademark, copyright or other proprietary rights of any third party.

The indemnification obligations of POWER provided in this Section shall expire on the fifth year anniversary from the termination or completion of POWER's professional services provided under this Agreement.

## **SECTION 8: INSURANCE**

### **8.1 Limits**

During the performance of the Services under this Agreement, POWER shall maintain the following insurance:

- (a) General Liability insurance with bodily injury and property damage of not less than \$1,000,000 for each occurrence and not less than \$2,000,000 in the aggregate.
- (b) Automobile Liability insurance with bodily injury and property damage limits of not less than \$1,000,000 for each accident.
- (c) Workers' Compensation insurance in accordance with statutory requirements and Employer's Liability Insurance with limits of not less than \$500,000 for each occurrence.
- (d) Professional Liability insurance with limits of not less than \$1,000,000 annual aggregate.

### **8.2 Endorsements**

Client shall be named as an additional insured on policies (a) and (b) listed above to the extent claims arise from the Services which are performed pursuant to this Agreement. Insurance policies (a) and (b) above shall be endorsed to include the following language: "Insurance as is afforded by the endorsements for additional insureds shall apply as primary insurance. Any other insurance maintained by the City of Lodi or its officers and employees shall be excess only and not contributing with the coinsurance afforded by this endorsement."

### 8.3 Proof Of Insurance

POWER shall furnish to Client a certificate of insurance evidencing the above concurrently with the execution of this Agreement and including a provision that such insurance shall not be canceled without at least thirty (30) days written notice to Client.

## SECTION 9: LIMITATION OF LIABILITY

Client agrees to limit POWER's liability for insurable events arising from POWER's performance to the insurance limits stated in Section 8, above. POWER's liability for non-insurable events including breach of contract or breach of warranty shall not exceed \$100,000.00.

Neither POWER nor Client nor either party's suppliers, agents, officers, and directors shall have any liability to the other party or any other person or entity for any indirect, incidental, special, or consequential damages whatsoever, including but not limited to loss of revenue or profit, loss of use, failure to realize anticipated profits or savings, loss of or damage to data or other commercial or economic loss, even if POWER has been advised of the possibility of such damages, such damages are foreseeable, or of potential claims by a third party.

## SECTION 10: INDEPENDENT CONTRACTOR

POWER agrees it shall operate as an independent contractor and will not be an agent, joint venturer, partner or employee of the Client, nor will it be entitled to any employee benefits provided by the Client. POWER shall be responsible for payment of any and all unemployment, social security, withholding, and other payroll taxes for its employees as applicable.

## SECTION 11: DOCUMENTS

### 11.1 Ownership and Reuse of Documents

- (a) The Client acknowledges that POWER's drawings and specifications, including all documents on electronic media, are instruments of service for use solely with respect to this Project and, unless otherwise provided, POWER shall be deemed the author of the drawings and specifications and shall retain all common law, statutory and other reserved rights, including the copyright. The Client shall be permitted to retain copies, including reproducible copies, of the drawings and specifications for the Client's information, reference and use in connection with the Project. The Client agrees to waive any claim against POWER arising from any unauthorized transfer, reuse or modification of the drawings and specifications.
- (b) Electronic files furnished by POWER shall be subject to an acceptance period of thirty (30) days during which the Client agrees to review and/or perform appropriate acceptance tests. POWER shall

correct any discrepancies or errors detected and reported within the acceptance period at no charge to the Client. After the acceptance period, the electronic files shall be deemed to be accepted and POWER shall have no obligation to correct errors or maintain electronic files. The Client is aware that differences may exist between the electronic files delivered and the printed hard-copy documents. In the event of a conflict between the signed or sealed hard-copy documents prepared by POWER and the electronic files, the hard-copy documents shall govern.

- (c) The Client agrees, to the fullest extent permitted by law, to indemnify and hold POWER harmless from any claim, liability or cost (including reasonable attorneys' fees and defense costs) arising or allegedly arising out of any reuse or modification of the documents by the Client or any person or entity that acquires or obtains the documents from or through the Client.

### 11.2 Documents Supplied by Others

The parties agree that from time to time POWER may need information from Client for the rendering of the Services hereunder and Client agrees to provide POWER such information as is then available. Client recognizes that it is impossible for POWER to assure the sufficiency and accuracy of such information. Accordingly, Client waives any claim against POWER for liability or injury or loss allegedly arising from errors, omissions, or inaccuracies in documents, drawings, plans or data provided to POWER by Client or by other third parties. If any of the work or Services must be redone because of errors in drawings, plans, or data supplied to POWER, then POWER shall be compensated for such extra Services and the Schedule shall be adjusted accordingly.

## SECTION 12: CONFIDENTIALITY

It is understood that the parties may supply to each other confidential or proprietary data during the performance of this Agreement. The parties agree to protect such data from disclosure to outside parties, except where access to such data is necessary for the purpose of performing the services hereunder. Such data shall be marked "Confidential" or "Proprietary" or defined as confidential or proprietary in a separate writing. This confidentiality requirement shall not apply to data that is known to the parties prior to the execution of this Agreement or is in the public domain. In the event such data is subpoenaed by court order, or other legal process, the receiving party shall notify the other party within five (5) business days of receipt of such court order or legal process.

### **SECTION 13: DISPUTE RESOLUTION**

#### **13.1 Exclusive Manner of Dispute Resolution**

Unless otherwise agreed to by the parties, the sole means and method of resolving disputes shall be by mediation and arbitration as set forth in this Agreement. Any lawsuit filed to adjudicate a claim shall be promptly dismissed by the filing party.

#### **13.2 Mediation**

All controversies or claims arising out of or relating to this Agreement or breach thereof, except for claims which have been waived hereunder, shall first be submitted to mediation following the Commercial Mediation Rules published by the American Arbitration Association. Unless the parties agree otherwise, mediation shall be held in Lodi, California. This Agreement to mediate and any other agreement or consent to mediate entered into in accordance with this Agreement shall be specifically enforceable under the prevailing law of any court having jurisdiction.

#### **13.3 Arbitration**

In the event mediation proves unsuccessful within sixty (60) days of the appointment of the mediator, then all claims, disputes and other matters in question arising out of, or relating to, this Agreement or the breach thereof shall be decided by arbitration conducted by one (1) neutral arbitrator following the Construction Arbitration Rules published by the American Arbitration Association, unless the parties mutually agree otherwise. This Agreement to arbitrate shall be specifically enforceable. The Arbitrator shall not have the authority to consider or award attorneys' fees, costs or punitive damages as part of the Arbitrator's Award. Unless the parties agree otherwise, arbitration shall be held in Lodi, California. Arbitration shall be final and binding. This Agreement to Arbitrate shall be specifically enforceable under the prevailing law of any court having jurisdiction.

#### **13.4 Notice**

Notice of the demand for arbitration shall be filed in writing with the other party to this Agreement. The demand for arbitration shall be made within a reasonable time after the claim, dispute or other matter in question has arisen, and in no event shall it be made after the date when institution of legal or equitable proceedings based on such claim, dispute or other matter in question would be barred by the applicable statute of limitations.

#### **13.5 Costs and Fees**

The parties shall share equally the costs and fees of the mediator and arbitrator. Each party shall pay its own costs and attorneys' fees incurred in mediation or arbitration.

### **SECTION 14: MISCELLANEOUS**

#### **14.1 Notices**

Any notice hereunder shall be deemed served immediately if hand-delivered in writing to an officer or other duly appointed representative of the party to whom the notice is directed. Notices shall also be deemed served five (5) business days after transmittal by United States first class mail, or within two (2) days if by any overnight service(s), to the business address identified below:

##### **For POWER:**

John McGrew or  
Lan Alder  
3940 Glenbrook Drive  
PO Box 1066  
Hailey, ID 83333  
208-788-3456  
208-788-2082 (fax)

##### **For Client:**

Demy Bucaneg  
City of Lodi Electric Utilities  
1331 S. Ham Lane  
Lodi, CA 95242  
209-333-6811  
209-339-0851

#### **14.2 Applicable Law and Venue**

This Agreement and all rights, obligations, liabilities, and responsibilities of the parties hereto shall be governed by, construed, and enforced in accordance with the laws and venue of the State of California.

#### **14.3 Subcontractors**

At its request, Client shall have the right to pre-approve the subcontracting of any services to be performed under this Agreement, which approval shall not be unreasonably withheld.

#### **14.4 Successors and Assigns**

Client and POWER each binds itself and its partners, successors, executors, administrators, assigns and legal representatives to the other party to this Agreement and to the partners, successors, executors, administrators, assigns, and legal representatives of such other party, in respect to all covenants, agreements, and obligations of this Agreement. This Agreement shall not be assigned by either party without the other party's express written consent. Provided, however, POWER shall be entitled to subcontract portions of its work to other companies in which POWER has an ownership interest without first obtaining the written consent provided for under this Section.

#### **14.5 Equal Employment Opportunity**

POWER and Client expressly agree not to discriminate against any employee or applicant for employment because of race, color, religion, gender, national origin, or disability and shall during the performance of this Agreement comply with all applicable Executive Orders and federal regulations.



#### 14.6 Entire Agreement

The terms and conditions herein represent the entire agreement between the parties, and shall not be modified except by written instrument duly executed by both parties.

#### 14.7 Severability

If any provision of this Agreement is held to be in violation of any applicable law rendering such provision void and unenforceable, such provision shall be deemed severed from the Agreement and the remainder of the Agreement shall remain in full force and effect.

#### 14.8 Survival of Obligations

All representations, indemnifications, warranties and guarantees made in, required by or given in accordance with the Contract Documents, as well as all continuing obligations indicated in the Contract Documents, will survive final payment, completion and acceptance of the Services and termination or completion of the Agreement.

#### 14.9 Counterparts

This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same document.

IN WITNESS WHEREOF the parties have caused this Agreement to be executed as of the date first above written.

City of Lodi

By: \_\_\_\_\_

Printed: \_\_\_\_\_

Title: \_\_\_\_\_

POWER Engineers, Inc.

By: LAN ALDER

Printed: LAN ALDER

Title: PROJECT MANAGER

RESOLUTION NO. 2006-186

A RESOLUTION OF THE LODI CITY COUNCIL  
AUTHORIZING THE CITY MANAGER TO EXECUTE A  
PROFESSIONAL SERVICES AGREEMENT WITH POWER  
ENGINEERS, INC., FOR ENGINEERING AND DESIGN OF  
THE SCALED-BACK REHABILITATION OF KILLELEA  
SUBSTATION AND REJECTING ALL OTHER  
DESIGN/ENGINEERING PROPOSALS

=====

WHEREAS, State law exempts design professional contracts from bidding requirements (Government Code §4526), and further Lodi Municipal Code §3.20.075 exempts from the bidding process the award of engineering services, providing such awards be based instead on professional qualifications and experience, quality of service, past performance, and negotiated prices; and

WHEREAS, on May 3, 2006, the City Council adopted Resolution No. 2006-83 authorizing, among other tasks, the commencement of work with Power Engineers, Inc. of Hailey, ID, to re-scope, engineer, design, and construct a scaled-back rehabilitation project for the Electric Utility Killelea Substation located at Cherokee and Lodi; and

WHEREAS, Power Engineers, Inc. engineered and designed the original project to demolish and rebuild the Killelea Substation; and

WHEREAS, following City Council approval of the scaled-back rehabilitation project, the Electric Utility Department worked for several months to refine the design, technical/performance criteria, and scope of engineering work for the scaled-back project. When Power Engineers was contacted to perform the engineering/design of the scaled-back project, its workload and personnel availability did not allow it to meet the desired schedule to complete the June 2007 project deadline; and

WHEREAS, as a back-up plan and to keep the project moving forward, Electric Utility issued a Request for Proposals (RFP) to seven other regional engineering firms to solicit their interest/bids in design/engineering for the project. Three companies responded with the following price proposals:

Electrical Power Systems, Inc.	\$150,695.25
Auriga Corporation	\$188,400.00
Vega Engineering, Inc.	\$369,407.00

WHEREAS, recently, Power Engineers, Inc. advised Electric Utility staff that its backlog had eased and that it would be able to complete the project based on the updated scope of work, revised schedule, and project completion goal of May 2008 for a price of \$115,819. Power Engineers, Inc. did not submit a proposal in response to the RFP; and

WHEREAS, staff recommends that Power Engineers, Inc., of Hailey, ID, receive the award to perform engineering and design services for the Killelea Substation scaled-back project because it is well qualified for the proposed work, has extensive knowledge of the City of Lodi's electric system and the Killelea Substation as a result of work on past projects, and has performed well on previous jobs; and

WHEREAS, staff further recommends that all other proposals for this project be rejected.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council hereby authorizes the City Manager to enter into a professional services agreement with Power Engineers, Inc., of Hailey, ID, for engineering and design of the scaled-back rehabilitation of Killelea Substation in the amount of \$115,819.00; and

BE IT FURTHER RESOLVED that the Lodi City Council hereby rejects all other design/engineering proposals for the scaled-back rehabilitation of Killelea Substation.

Dated: October 18, 2006

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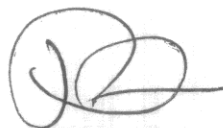
I hereby certify that Resolution No. 2006-186 was passed and adopted by the Lodi City Council in a regular meeting held October 18, 2006, by the following vote:

AYES: COUNCIL MEMBERS – Beckman, Hansen, Johnson, Mounce,  
and Mayor Hitchcock

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None



RANDI JOHL  
City Clerk